

**AMENDMENT # 1  
TO  
RFA#TIRNO-99-H-00002, PROJECT 7  
PRACTITIONER PIN PILOT**

**8/12/99**

**The purpose of this amendment is to provide additional information to prospective offerors for this pilot, insert an additional proposal instruction, and extend the closing date for proposals.**

- 1. The words, “IRS-approved commercial software developers” are changed to “IRS-approved software developers” wherever stated in the text of the RFA.**
- 2. The following text is added to the RFA’s Section 2.1, Project Plan, at the end of Description of Solution and Proposed Agreement:**
  - The “Dear Practitioner” letter in Attachment E was prepared by the IRS and provided to Industry Partners for the Filing Season 1999 Pilot for distribution to practitioners. Its actual usage by Industry Partners in that pilot was not tracked by the IRS. However, this letter remains as an IRS-proposed example of what should be considered at a minimum by Industry Partners’ in marketing the Filing Season 2000 Pilot. The “Would You Like To Participate In IRS’s PIN Pilot?” hand-out in Attachment F was provided by the IRS to Industry Partners for the Filing Season 1999 Pilot for distribution to taxpayers. Offerors are encouraged to describe what efforts they will take above and beyond the use of these items. Such efforts will be evaluated in Step 2, Factors 2 and 3 of the evaluation process (see Section 4.0 of the RFA).

- 3. The following text is substituted for the fifth sentence in the RFA’s Section 3.0, Delivery of Proposal/Project Plan:**

“Proposals for the 2000 filing season shall be completely transmitted through electronic mail by 5:00 p.m. EDST, August 17, 1999.”

- 4. The following items on the pages that follows: (1) “Dear Practitioner” letter and (2) “Would You Like To Participate In IRS’s PIN Pilot?” hand-out are added to the RFA as Attachments E and F respectively.**

**Except as changed by this amendment, the RFA remains unchanged.**

## Attachment E

Dear Practitioner:

We are happy to announce a Practitioner Personal Identification Number (PIN) pilot for the 1999 filing season which will provide a paperless filing experience for those filers who are eligible to participate. We have heard your repeated requests and are taking a first step toward eliminating the mailing of the paper signature document (Form 8453) to make *e-filing* more attractive and efficient for you. We are inviting you to express an interest in this pilot. To help you make an informed decision, we have attached information regarding the pilot, including an overview and answers to questions that you might have. In addition, we have attached a handout that you may use to inform taxpayers about the pilot when they visit your office.

[Name of IRS Industry Partner] will forward the Electronic Filing Identification Numbers (EFIN) of any interested Electronic Return Originators (ERO)/paid preparers to the IRS.

Because this implementation is in a pilot stage, we need to limit the number of participants. To do this, we will be using quality measures such as, your reject rate and Form 8453 filing history to identify selected EROs/paid preparers by mid-October.

We think that this Practitioner PIN pilot is an important step in responding positively to our business partners' requests for more electronic services. The IRS intends to reduce its reliance on paper-based signatures, in partnership with the private sector, thereby reducing the paper burden associated with the current electronic filing program. We encourage your participation in the Practitioner PIN pilot and hope that we can work together to improve electronic service delivery.

Sincerely,

Robert E. Barr



Attachment

## OVERVIEW

Filers who use selected practitioners will be eligible to participate in this pilot if their only attachments to the Form 8453 are the W-2, W-2G, and/or Form 1099R, which will be waived for the pilot.

We are frequently asked by Electronic Return Originators (ERO)/paid preparers to allow them to hold the jurat (Form 8453). We have always had to deny such a request since there is no statutory authority to do so because the law requires returns to be signed and filed with the IRS. All returns require a signing and the Form 8453 has been the official signing for electronically filed returns. The Practitioner PIN pilot will allow a taxpayer to sign an electronically filed return by entering a PIN.

This Practitioner PIN pilot introduces the use of an IRS *e-file* authentication worksheet which contains:

1. a pen and ink signature of the taxpayer that is not the return signature, but a certification of the figures on the *e-filed* return, and
2. the taxpayer's **self-selected**, one-time use personal identification number (PIN) with a certification that the PIN is his/her signature for purposes of the filing.

For the pilot, a taxpayer will sign the electronic return using the self-selected PIN. An ERO/paid preparer will sign the return using his/her PIN (a combination of the Electronic Filing Identification Number (EFIN) with an additional identification number). The ERO/paid preparer will retain the worksheet. Returns, with electronic signatures, will be received through normal *e-filing* means. An indicator will be set during IRS processing to prevent a later search for a paper Form 8453.

We view this pilot to be a first step toward elimination of the paper signature document for taxpayers who use EROs/paid preparers and expect additional steps in 2000 and beyond.



## QUESTIONS & ANSWERS

Following is information that you need to know before making your decision to express an interest in the Practitioner PIN pilot. Intuit Inc. can also provide you with additional information.

**Q. If I participate in the pilot, how will my interaction with the taxpayer differ from my normal procedures?**

**A.** EROs/Paid Preparers will be expected to comply with the following:

- C accept only taxpayers into the pilot who have no required attachments to Form 8453 except the W-2, W-2G, and 1099R, which will be waived for the pilot;
- C follow tolerances given in Publication 1345, Handbook for Electronic Filers of Individual Income Tax Returns, to determine if they must print another IRS *e-file* authentication worksheet and have the taxpayer complete it when the return is rejected;
- C require the taxpayer(s) to reenter the PIN in all rejection situations where a taxpayer(s) would be required to sign a new Form 8453; and
- C follow the sequence specified by the IRS for preparing and presenting the return and worksheet to the taxpayer. Different scenarios will be provided depending on the tax preparation software solution provided by Intuit Inc.

**Q. How will my administrative procedures change?**

**A.** We hope that you will not find these changes to be burdensome. However you will be expected to:

- C retain the IRS *e-file* authentication worksheet for the normal preparer statutory period and provide it to the IRS upon request;
- C batch pilot and non-pilot returns together in your transmissions;
- C limit pilot filings to situations where the practitioner provides ERO and Paid Preparer functions to the taxpayer(s);
- C sign the taxpayer's return using a unique personal identification number (The preparer's signature/PIN will be his/her EFIN plus five additional digits to allow for a unique signature for each preparer. At the discretion of Intuit Inc., offices may assign the additional five digits or allow the preparer to self-select a number.); and
- C ensure and be able to document that an ERO/paid preparer who moves from one office to another has a unique PIN in each office.



**Q. How will participation in the pilot benefit me?**

**A.** You will save the staff time and cost involved in mailing in the paper signature document (Form 8453) and attached Forms W-2, W-2G, and 1099R for electronically filed returns. In addition, you will help advance the tax preparation industry toward completely paperless filing.



## WOULD YOU LIKE TO PARTICIPATE IN IRS PIN PILOT?

This year, the IRS is piloting a new system for signing electronically filed tax returns. The new system involves using a personal identification number (PIN) that you select to sign your return electronically instead of using the paper signature form. This form, also known as a Form 8453, is what you usually sign to authorize filing your return electronically with the IRS.

### THINGS TO KNOW BEFORE PARTICIPATING...

**Q. Is participation voluntary?**

- A.** Yes. If, after reading this sheet, you feel more comfortable signing the paper form, you may do so. You will not be adversely affected if you choose not to participate in this test.

**Q. Are there any special requirements for participating?**

- A.** Yes. To participate in this voluntary program, you need:
- no required paper attachments to Form 8453 except Forms W-2, W-2G, and/or 1099R,
  - a return completed by a paid preparer who also transmits your return, and
  - a PIN personally entered by you into the computer.

**Q. How do I know what personal identification number to use for my signature?**

- A.** Your paid preparer will help you complete a brief IRS *e-file* authentication worksheet which will contain:
- your pen and ink signature certifying certain figures from your *e-filed* return; and
  - your **self-selected**, one-time use personal identification number with a certification that the PIN is your signature for purposes of this federal filing.

**Q. Does my spouse need to sign using a PIN?**

- A.** If you are filing a joint return, your spouse will also have to sign the return using a PIN and sign the authentication worksheet.

**Q. Will my return be treated differently if I participate?**

- A.** No. IRS processes all electronic returns identically. Signing the return with a PIN will NOT cause IRS to treat your return any differently from any other return.

**Q. Do I have a record of the PIN I(we) used to sign my(our) return?**

- A.** Yes. Your paid preparer will give you a copy of your worksheet with a copy of your return and other records.